

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 18055
[REDACTED])	
Petitioners.)	DECISION
)	
)	

On February 25, 2004, the Tax Discovery Bureau (TDB) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NOD) to [Redacted] (petitioners), proposing income tax, penalty, and interest for the years 1999, 2000, and 2001 in the total amount of \$9,017.

On April 26, 2004, a timely protest and petition for redetermination was filed by the petitioners. An informal hearing has not been requested by the petitioners. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision modifying the NOD.

The petitioners had failed to file their 1999, 2000, and 2001 individual income tax returns. On August 21, 2003, the Tax Discovery Bureau sent a letter with a questionnaire to the petitioners to help the Commission properly determine the petitioners' filing requirement. The petitioners did not respond to this letter, so i[Redacted]. The Commission issued a NOD on February 25, 2004, to the petitioners [Redacted].

In the petitioners' protest letter dated April 26, 2004, Mr. [Redacted] stated in part:

I am writing to you to file a protest to the determination of my Idaho State income tax for the years 1999, 2000, and 2001. The reason that I am protesting this is that I had more adjustments than was noted in your assessment. Additionally, I am in the process of gathering all of the information to file these taxes. . . . As per my conversation with [Redacted] this morning, I understand that I will be granted a 30-day extension. I plan on having my completed returns in before that time.

On September 22, 2004, TDB sent the petitioners a letter informing them that TDB had

received and reviewed their 1999 tax return. TDB informed the petitioners that, in regard to the deficiency issued to them for 1999 income taxes, the Tax Commission had determined that the notice of deficiency determination dated February 25, 2004, should be canceled for tax year 1999 only. The 1999 tax year will not be dealt with any further in this decision.

On May 23, 2005, the Tax Policy Specialist (policy specialist) sent the petitioners a hearing rights letter to inform them of their alternatives for redetermining a protested NOD. A follow-up letter to the hearing rights letter was sent to the petitioners on July 11, 2005.

A letter was received on July 28, 2005, from [Redacted], CPA, which referenced [Redacted] for tax years 2000, 2001, 2002, and 2003. In his letter, Mr. [Redacted] stated:

We have been asked by the above taxpayers to prepare their income tax returns for the years indicated. We are responding to your request (copies enclosed). We are not accumulating the necessary information to file a complete and accurate return, including locating the necessary W-2's and Form 1099.

We expect that the returns will be completed in a couple of weeks, assuming we are successful in locating the necessary documents.

No returns have been provided.

[Redacted] The petitioners have not provided the Commission with a contrary result to the determination of their income [Redacted] Therefore, the Commission must uphold the deficiency as modified.

WHEREFORE, the Notice of Deficiency Determination dated February 25, 2004, as MODIFIED, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the petitioners pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2000	\$2,559	\$640	\$831	\$4,030
2001	1,915	479	474	<u>2,868</u>
TOTAL DUE				<u>\$6,898</u>

Interest is computed through June 15, 2006.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the petitioners' right to appeal this decision is enclosed with this decision.

DATED this ____ day of _____, 2006.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this ____ day of _____, 2006, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[REDACTED]

Receipt No.
